

## **REPORTING ON RECOVERY ACT JOBS CREATED OR RETAINED**

### **Guidance for Calculating Job Numbers for TCAP Grantees**

**[Based on OMB [M-09-21](#)]**

This guidance is directed to TCAP grantees. Each program under the Recovery Act is responsible for providing HUD-approved job reporting guidance to its grantees.

Job reporting is required of TCAP grantees only, although this responsibility can be delegated down. Jobs are reported in two separate fields – a **Numeric Field** and a **Narrative Field**.

The Narrative Field requires a brief description of the types of jobs created and jobs retained, and the reporting methodology used. “*Jobs or positions created*” means those new positions created and filled, or previously existing unfilled positions that are filled, as a result of Recovery Act funding. “*Jobs or positions retained*” means those previously existing filled positions that are retained as a result of Recovery Act funding. This description may rely on job titles, broader labor categories, or the contractor’s existing practice for describing jobs as long as the terms used are widely understood and describe the general nature of the work. For example, if you have used **Davis-Bacon** classifications in the past, you may choose to apply that definition in this case.

The Numeric Field requires the number of jobs created or retained as one number using a standard calculation, translating both full and part time employees into “full-time equivalents”, or FTEs. This calculation is performed by adding the total hours worked by all employees that are funded by the Recovery Act, and dividing by the total hours in a full-time employee schedule. When performing this calculation, note the following:

- Disregard the distinction between ‘created’ and ‘retained’. Simply count all employees paid for with Recovery Act funds.
- In those cases where employees have multiple duties and only a portion of those projects are funded by Recovery Act, then only the Recovery Act funded hours are counted for the FTE calculation.
- For any project or activity with multiple funding sources, regardless of whether they are funded in whole or part by Recovery Act programs, grantees should report only on the jobs and funding directly attributable to the award under the Recovery Act.
- In cases where TCAP funds are used to take out construction loans, the jobs funded by those construction loans should be counted.

**Example calculation using a typical forty-hour work week (assuming 40 Recovery Act-funded hours):**

40 hours x 52 weeks = 2080 hours in a year  
2080 hours / 4 = 520 hours in the first quarter  
520 x 2 = 1040 cumulative hours in the second quarter  
520 x 3 = 1560 cumulative hours in the third quarter  
520 x 4 = 2080 cumulative hours in the fourth quarter  
520 x 5 = 2600 cumulative hours in the first quarter of the second year  
520 x 6 = 3120 cumulative hours in the second quarter of the second year  
And so on...

The first quarter in this example may not correspond to the first quarter of a grantee's fiscal year or a program year. The first quarter is the quarter during which Recovery Act compensated jobs started.

**Example of the FTE calculation with just one Recovery Act-funded permanent employee:**

1<sup>st</sup> quarter: total hours worked (520) / 520 = report 1 FTE  
2<sup>nd</sup> quarter: Use the cumulative hours worked (1040) / 1040 hours = report 1 FTE  
3<sup>rd</sup> quarter: Use the cumulative hours worked (1560) / 1560 = report 1 FTE  
And so on....  
2<sup>nd</sup> quarter of 2<sup>nd</sup> year: use the cumulative hours worked (3120) / 3120 = report 1 FTE

**Example of the FTE calculation with multiple Recovery Act-funded employees of different types:**

Period	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Full-time Schedule	520	1040	1560	2080	2600	3120
Full-time employee 1	520	1040	1560	2080	2600	3120
Full-time employee 2	520	1040	1560	2080	2600	3120
Part-time employee (half time)	260	520	780	1040	1300	1560
Temporary employee (650 hrs.)	0	0	130	390	650	650
Total hours worked	1300	2600	4030	5590	7150	8450
<b>Quarterly FTE</b>	<b>2.50</b>	<b>2.50</b>	<b>2.58</b>	<b>2.69</b>	<b>2.75</b>	<b>2.71</b>

Calculate FTEs in groups according to the number of hours in a standard full time work week. For example, if three contractors have a standard full time work week of 35 hours, and all other contractors have a 40 hour week, OMB says we should calculate the FTEs separately for the first group of three contractors and then all others, and then add the final Quarterly FTEs together.

## **TCAP GRANTEE REPORTING ON SUB-GRANTEE AND VENDOR ACTIVITIES**

TCAP grantees are required to generate estimates of job impact by directly collecting specific data from sub-grantees and vendors on the total FTE resulting from the sub-award. Again, direct counting is the preferred estimation method.

In limited circumstances the TCAP grantee may employ a statistical methodology to generate estimates of job impact, collecting data only from a smaller subset of sub-grantees and vendors. These limited circumstances should only include instances where comprehensive collection of jobs data from all sub-grantees and vendors is overly costly or burdensome or disrupts the TCAP grantees' ability to accomplish their underlying mission. The availability of Davis-Bacon project payrolls will likely reduce the cost and burden of collecting this information for both project owners and TCAP grantees, making estimates unnecessary unless certain circumstances exist.

Examples from OMB of instances where a statistical method may be a satisfactory alternative may include the following circumstances:

- A grantee may be responsible for administering a substantial amount (e.g., tens of millions of dollars) of Recovery Act funds that are distributed to a multitude of projects (e.g., hundreds), each having a large number of distinct sub-grantees and vendors. In such instances, the number of sub-grantees and vendors receiving Recovery Act funds may be sufficient in number to support an effort that identifies a representative sample and to use statistical methods that yields valid and robust information on the number of jobs created and jobs retained.
- A grantee may be funding a set of projects where the operating characteristics and nature of the work performed by sub-subgrantees are equivalent for these projects, so that having detailed job information on a sample might yield reliable statistics to use in developing estimates for the remainder of the population. An example might be a situation where all of a TCAP grantee's contracted sub-grantees working on projects funded by the Recovery Act employ the same type of experienced workforce; are required to perform the same tasks; face the same prices and market conditions; and utilize the same amount of labor in their production practices.
- A grantee may have a pre-existing validated statistical method it has recently used to generate information on direct job effects attributable to the receipt of federal government funds for the same type of projects designated to receive Recovery Act funds. In this instance, the grantee may consider seeking permission to transfer this direct job estimation method to quantify the direct job effects associated with projects supported by the Recovery Act funds.

If a TCAP grantee proposes to use a statistical methodology to estimate jobs data, they must notify the OAHP program office by no later than Sept. 10<sup>th</sup>, 2009, for October 2009 reporting. The grantee will work with OAHP to arrive at an approved methodology. In addition, OAHP will have to obtain concurrence from OMB. The grantee must provide documentation of the following:

- 1) A justification as to why an alternate methodology is needed. This must address the reasons why the direct collection of information from all sub-grantees and vendors is overly costly or burdensome for the TCAP grantee.
- 2) A technical description of the proposed methodology. This should include sufficient detail and supporting documentation of the sample design and estimation procedures so that the validity of the methodology can be assessed.

- 3) A statement of the qualifications of the persons who will be carrying out the statistical methodology.
- 4) A statement on the length of time the TCAP grantee anticipates making use of the statistical method (e.g., the first effective Section 1512 grantee reporting period; or for an extended period of time, such as the duration of the period during which the project receives Recovery Act funds); and
- 5) Point of contact information including telephone and e-mail information for transmitting HUD and OMB response, and any follow-up questions arising during the review of the request.

Grantees seeking to use statistical methods are advised to make use of information contained in OMB's Guidance on Agency Survey and Statistical Information Collections and Standards and Guidelines for Statistical Surveys. These documents describe professional principles and practices that Federal agencies are required to adhere to and the level of quality and effort expected in all statistical activities, and as such, can serve as a useful guide to grantees receiving Recovery Act funds.

### JOB TYPES

Grantees should not attempt to report on the employment impact on "indirect" jobs or "induced" jobs. Here is a description of job types from the 'President's Council of Economic Advisers Guidance on Reporting Jobs':

- Direct jobs, which are the job-years created in the actual government-sponsored project.
- Indirect jobs, which are the job-years created at suppliers who make the materials used in the project.
- Induced jobs, which are the job-years created elsewhere in the economy as increases in income from the direct government spending lead to additional increases in spending by workers and firms.